# Washington State House of Representatives Office of Program Research

## BILL ANALYSIS

## **Higher Education Committee**

### **HB 2859**

**Brief Description**: Regarding administration at institutions of higher education.

**Sponsors**: Representatives Haler and Anderson.

#### **Brief Summary of Bill**

- Requires the Higher Education Coordinating Board to work with the public four-year institutions to develop a common set of data definitions for a specified list of accountability measures.
- Requires the public four-year institutions to annually submit the accountability data to the Education Data Center
- Requires the Education Data Center to annually display the data sets submitted by the institutions.
- Prohibits presidential bonuses or other pay granted in addition to the base salary from being paid from the state general fund.

Hearing Date: 1/19/10

Staff: Andi Smith (786-7304).

#### Background:

#### Education Data Center.

Chapter 401, section 3 of the Laws of 2007 established an "education data center" in the Office of Financial Management (OFM). The education data center, which uses the working title of "Education Research and Data Center (ERDC)," in collaboration with the Legislative Evaluation and Accountability Program (LEAP) committee, conducts analyses of early learning, K-12, and higher education programs and education issues across the P-20 system. The system includes the Department of Early Learning, the Office of the Superintendent of Public Instruction, the Professional Educator Standards Board, the State Board of Education, the State Board for Community and Technical Colleges, the Workforce Training and Education Coordinating Board,

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the Higher Education Coordinating Board (HECB), and public and private non-profit higher education institutions. The ERDC also works with other agencies that have significant roles in conducting and supporting education research including the Employment Security Department, the Department of Information Services, the Joint Legislative Audit and Review Committee, and the Washington Institute for Public Policy.

#### Powers and Duties of Governing Boards.

Current law gives the governing boards of the public, four-year institutions full authority to manage each of their respective institutions. As part of those management duties, the boards may hire the president of the institution, his or her assistants, members of the faculty, and employees of the institution. Each person hired, except as otherwise provided by the law, may hold their position at the pleasure of the governing board.

In employing the president, the governing board enters into an employment contract with that individual. Article I, § 23 of the Washington Constitution provides that: "No bill of attainder, ex post facto law, or <u>law impairing the obligations of contracts</u> shall ever be passed." (Emphasis supplied.) This provision limits the ability of the Legislature to pass a law that would change the terms of a contract after it has been executed.

#### **Summary of Bill:**

#### Accountability Reporting.

The Higher Education Coordinating Board (HECB) must work in partnership with the public baccalaureate institutions and the Education Data Center to develop a common set of data definitions for a specified list of accountability and performance measures. The measures include:

- cost of instruction per resident undergraduate student full- time equivalent for lower division instruction and upper division instruction;
- total institutional funding by source displayed as a percentage of total institutional budget;
- average per full-time equivalent state funding allocation for resident undergraduate students:
- average salary and benefits for full-time faculty and staff:
- percentage of employees in various categories including but not limited to tenure-track faculty, nontenure-track faculty, classified, and exempt administration;
- student-to-teaching faculty ratio;
- student-to-staff ratio;
- average credits awarded per student per year;
- percent of freshman, sophomore, junior, and senior students who declare a major during the academic year;
- percent of freshman, sophomore, junior, and senior students who declare a major identified by the institution as high demand during the academic year;
- percent of first-time, full-time freshman who earn a degree within four, five, and six years, displayed by race and ethnicity and receipt of student financial assistance;
- employment rates within three quarters of graduation;
- employment rates by industry by field of study;
- top ten highest compensated public employees in each institution, including their salary and benefit information; and

• the percent of courses taken at community and technical colleges that are accepted through academic transfer policies at each institution.

The baccalaureate institutions are required to compile this data and submit it on an annual basis to the Education Data Center on a schedule jointly determined by the HECB, the institutions and the Data Center. By July 1, 2011, the Education Data Center must display the information on their website in an easy-to-read format. The display must also include data submission from previous years to facilitate year-to-year comparisons.

#### Executive Compensation.

Each of the governing boards of the public baccalaureate institutions is restricted in the manner through which they compensate their respective institutional presidents. The boards retain full authority for setting the amount of compensation for the president. However, for any contract entered into on or after the date this act takes effect, compensation beyond the base salary may not be paid from the state general fund. If a public baccalaureate institution enters into an employment contract that violates this provision, the contract is void and unenforceable.

**Appropriation**: None.

**Fiscal Note**: Requested on January 15, 2010.

**Effective Date**: The bill takes effect 90 days after adjournment of the session in which the bill is passed.